**CHAPTER 403** 

### CRIMINAL LAW AND PROCEDURE

HOUSE BILL 17-1313

BY REPRESENTATIVE(S) Herod and Humphrey, Lebsock, Van Winkle, Leonard, Coleman, Esgar, Hooton, McKean, Melton, Neville P., Pettersen, Saine, Salazar, Williams D., Bridges, Buckner, Covarrubias, Danielson, Exum, Kennedy, Ransom, Weissman, Duran;

also SENATOR(S) Neville T. and Kagan, Marble, Lundberg, Cooke, Hill, Aguilar, Court, Fenberg, Grantham, Guzman, Holbert, Jahn, Kefalas, Kerr, Lambert, Merrifield, Moreno, Priola, Scott, Smallwood, Tate, Todd, Williams A., Zenzinger, Baumgardner, Garcia.

# AN ACT

CONCERNING CIVIL FORFEITURE REFORM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, **repeal and reenact, with amendments,** 16-13-701 as follows:

- **16-13-701.** Reports related to seizures and forfeitures legislative declaration definitions. (1) The General assembly finds that:
- (a) Under state and federal forfeiture laws and subject to the due process provisions provided in both state and federal law as applicable, state and local law enforcement agencies are authorized to seize money and other property and to use forfeiture proceeds as permitted and expressly limited by both operation of state and federal law and applicable asset forfeiture policies and guidelines;
- (b) It is the responsibility of state legislators to monitor seizures by LAW enforcement agencies, forfeiture litigation by prosecutors, and their expenditures of forfeited proceeds when such money is received by a law enforcement agency or prosecutor's office; and
- (c) This section provides legislators and the public with the information necessary for basic oversight of law enforcement agencies

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AND PROSECUTORS' OFFICES THAT SEIZE PROPERTY, OBTAIN THE PROCEEDS OF SUCH SEIZURES THROUGH THE ASSET FORFEITURE PROCESS, AND EXPEND THE PROCEEDS OF SUCH FORFEITURES UNDER BOTH STATE AND FEDERAL LAWS.

- (2) As used in this section, unless the context otherwise requires:
- (a) "Department" means the department of local affairs created pursuant to section 24-1-125.
- (b) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS.
- (c) "Seizing agency" has the same meaning as defined in section 16-13-301 (2.7).
  - (3) This section applies to property seized under the following:
  - (a) Part 3 of this article 13, abatement of public nuisance;
  - (b) Part 5 of this article 13, "Colorado Contraband Forfeiture Act";
- (c) Part 6 of this article 13, receipt of federally forfeited property; and
- (d) Sections 18-17-105 and 18-17-106 of the "Colorado Organized Crime Control Act";
- (4) (a) The executive director shall establish, maintain, and amend as necessary and post on the department's website a biannual reporting form for use by seizing agencies to report the information required by subsection (5) of this section. Each seizing agency that received any forfeiture proceeds through either a state or federal forfeiture process within the reporting period shall complete a form on the department's website for that reporting period. In creating the form, the executive director shall consider the input from the following:
  - (I) THE COLORADO DISTRICT ATTORNEYS' COUNCIL;
  - (II) A STATEWIDE ASSOCIATION OF CHIEFS OF POLICE;
  - (III) A STATEWIDE ASSOCIATION OF COUNTY SHERIFFS;
  - (IV) THE DEPARTMENT OF PUBLIC SAFETY; AND
  - (V) THE ATTORNEY GENERAL.
- (b) If a seizing agency has not received any forfeiture proceeds during a reporting period, it shall submit a report indicating that no forfeiture proceeds were received.
  - (c) On or before December 31, 2017, the executive director shall

PROVIDE ACCESS TO THE UNIFORM REPORT FORM DEVELOPED PURSUANT TO SUBSECTION (4)(a) of this section for seizing agencies to file or update information as required by this section.

- (5) Based upon the information received on the forms submitted pursuant to subsection (4) of this section, the department shall establish and maintain a searchable, public access database that includes the following, if known at the time of reporting:
- (a) Information from each case in which an agency received any forfeiture proceeds specifying:
- (I) THE NAME OF THE SEIZING AGENCY AND, IF SEIZED BY A MULTIJURISDICTIONAL TASK FORCE, THE NAME OF THE LEAD AGENCY;
  - (II) THE DATE OF THE SEIZURE;
- (III) THE PLACE OF THE SEIZURE, WHETHER A HOME, BUSINESS, OR TRAFFIC STOP, AND, IF A TRAFFIC STOP ON AN INTERSTATE OR STATE HIGHWAY, THE DIRECTION OF THE TRAFFIC FLOW, WHETHER EASTBOUND, WESTBOUND, SOUTHBOUND, OR NORTHBOUND;
  - (IV) THE BASIS FOR THE LAW ENFORCEMENT CONTACT;
  - (V) THE TYPE OF PROPERTY SEIZED:
  - (A) IF CURRENCY, THE AMOUNT OF THE CURRENCY; AND
- (B) IF PROPERTY OTHER THAN CURRENCY, ANY MAKE, MODEL, OR SERIAL NUMBER RELATED TO THE PROPERTY AND THE ESTIMATED NET EQUITY OF THE PROPERTY;
- (VI) WHETHER A STATE OR FEDERAL CRIMINAL CASE WAS FILED IN RELATION TO THE SEIZURE AND, IF SO, THE COURT IN WHICH THE CASE WAS FILED, THE CASE NUMBER AND CHARGES FILED, AND ANY DISPOSITION OF THE CRIMINAL CASE;
- (VII) IF FORFEITURE IS SOUGHT UNDER FEDERAL LAW, THE REASON FOR THE FEDERAL TRANSFER, WHETHER ADOPTION, JOINT TASK FORCE, OR OTHER; AND
  - (VIII) INFORMATION RELATING TO ANY FORFEITURE PROCEEDING INCLUDING:
  - (A) THE COURT IN WHICH THE FORFEITURE CASE WAS FILED;
  - (B) THE FORFEITURE CASE NUMBER;
  - (C) IF ANY OWNER OR INTEREST OWNER FILED A COUNTERCLAIM;
  - (D) IF ANY OWNER WAS DETERMINED BY THE COURT TO BE AN INNOCENT OWNER;
  - (E) THE DATE OF THE FORFEITURE ORDER;
  - (F) IF ANY ASSET WAS RETURNED IN WHOLE TO AN OWNER OR INTEREST HOLDER,

A DESCRIPTION OF THE ASSET AND THE DATE OF THE RETURN;

- (G) IF ANY PROPERTY WAS SOLD, THE PROCEEDS RECEIVED FROM THE SALE;
- (H) If any property was retained by a state or local agency, the purpose for which it was used;
  - (I) THE DATE OF ANY DISPOSITION OF THE PROPERTY;
- (J) If the property was destroyed by a state or local agency, the date of destruction:
- (K) If an order for destruction was issued by the federal government; and
  - (L) The amount of any proceeds received by the reporting agency; and
- (b) Information from each seizing agency on the use of forfeiture proceeds reported pursuant to this section including:
- (I) The total amount of money expended in each of the following categories during the reporting period:
  - (A) DRUG ABUSE, CRIME, AND GANG PREVENTION PROGRAMS;
  - (B) VICTIM SERVICES PROGRAMS;
  - (C) Informant fees and controlled buys on closed cases;
  - (D) SALARIES, OVERTIME, AND EMPLOYMENT BENEFITS, AS PERMITTED BY LAW;
- (E) Professional outside services, including auditing, court reporting, expert witness and outside counsel fees, and membership fees paid to trade associations;
- (F) Travel, meals, entertainment, training conferences, and continuing education seminars;
- (G) Operating expenses, including office supplies, postage, and advertising:
- (H) CAPITAL EXPENDITURES, INCLUDING VEHICLES, FIREARMS, EQUIPMENT, COMPUTERS, AND FURNITURE; AND
  - (I) Other expenditures of forfeiture proceeds; and
- (II) THE TOTAL VALUE OF SEIZED AND FORFEITED PROPERTY HELD BY THE SEIZING AGENCY AT THE END OF THE REPORTING PERIOD.
- (6) The department shall also post on the website a summary of information received pursuant to subsection (4) of this section that, to

THE EXTENT AVAILABLE FOR THE REPORTING PERIOD, DESCRIBES:

- (a) THE TOTAL NUMBER OF FORFEITURE ACTIONS INITIATED OR ADMINISTERED BY EACH SEIZING AGENCY;
- (b) The total number of federal judicial or administrative forfeiture actions initiated by a multijurisdictional task force including a federal agency or referred by a seizing agency and accepted by the federal government for forfeiture under federal law;
- (c) The type of assets seized and the total value of the net proceeds received in all reported forfeitures; and
- (d) The recipients of any forfeiture proceeds including the amount received by each and the date of receipt.
- (7) (a) Each seizing agency, including any district attorney or other prosecutor, that receives or expends forfeiture-related money or property shall submit a report with all the information required pursuant to subsection (5) of this section that is known to the agency at the time of the report on the form developed pursuant to subsection (4)(a) of this section. Commencing July 1, 2017, for the reporting period between July 1 and December 31 of each year, the seizing agency shall file the report by June 1 of the following calendar year. For the reporting period between January 1 and June 30, the seizing agency shall file the report by December 1 of that calendar year. If a seizing agency has previously filed a report, but for the reporting period it has not received or expended any forfeiture proceeds, it shall submit a report indicating that fact.
- (b) Notwithstanding the provisions of this section, if the reporting of any information required by subsection (5) of this section is likely to disclose the identity of a confidential source; disclose confidential investigative or prosecution material that could endanger the life or physical safety of any person; disclose the existence of a confidential surveillance or investigation; or disclose techniques or procedures for law enforcement procedures, investigation, or prosecutions, the seizing agency is not required to include such information in the report developed pursuant to subsection (4)(a) of this section. The executive director shall include in the form developed pursuant to subsection (4)(a) of this section, a box for a seizing agency to check if it is not disclosing information pursuant to this subsection (7)(b).
- (c) If a seizing agency fails to file a report required by subsection (7)(a) of this section within thirty days after the date the report is due, the executive director shall send notice of the failure to the seizing agency. If the report:
- (I) Is filed within forty-five days after the notice of failure is sent, the seizing agency shall pay a civil fine of five hundred dollars; or

- (II) IS NOT FILED WITHIN FORTY-FIVE DAYS AFTER THE NOTICE OF FAILURE IS SENT, THE SEIZING AGENCY SHALL PAY A CIVIL FINE OF THE GREATER OF FIVE HUNDRED DOLLARS OR AN AMOUNT EQUAL TO FIFTY PERCENT OF THE FORFEITURE PROCEEDS RECEIVED BY THE SEIZING AGENCY DURING THE REPORTING PERIOD.
- (d) If the department pursues legal action to enforce the civil fines established pursuant to subsection (7)(c) of this section and the department prevails in the action, the department is entitled to its reasonable attorney fees and costs related to the action.
- (8) (a) Not later than December 31, 2019, and each December 31 thereafter, the executive director shall submit a report summarizing seizure and forfeiture activity in the state for the prior fiscal year to the governor; the attorney general; and the judiciary committees of the senate and the house of representatives, or any successor committees. The report must also be posted on the division's website. The report must include:
  - (I) The type, approximate value, and disposition of all property seized;
- (II) The amount of any forfeiture proceeds received by the state and any subdivision of the state; and
- (III) A CATEGORIZED ACCOUNTING OF ALL FORFEITURE PROCEEDS EXPENDED BY THE STATE AND ANY SUBDIVISION OF THE STATE.
- (b) The executive director may include in the report prepared pursuant to subsection (8)(a) of this section recommendations to improve statutes, rules, or policies to better ensure that seizures, forfeitures, and expenditures are done and reported in a manner that is fair to crime victims, innocent property owners, secured interest holders, citizens, law enforcement personnel, and taxpayers.
- (c) Notwithstanding section 24-1-136 (11)(a)(I), the report required in this subsection (8) continues indefinitely.
- (9) (a) The office of behavioral health shall prepare an annual accounting report of money received by the managed service organization pursuant to section 16-13-311 (3)(a)(VII)(B), including revenues, expenditures, beginning and ending balances, and services provided. The office of behavioral health shall provide this report to the health and human services committee of the senate and the public health care and human services committee of the house of representatives, or any successor committees.
- (b) Pursuant to Section 24-1-136 (11)(a)(I), the report required in this subsection (9) expires on February 1, 2021.
- (10) The executive director may adopt policies and procedures to implement the provisions of this section.

(11) Notwithstanding any provision in article 72 of title 24, information, except for information described in subsection (7)(b) of this section, and reports prepared pursuant to this section are public records and subject to inspection pursuant to part 2 or 3 of article 72 of title 24.

#### **SECTION 2.** In Colorado Revised Statutes, **add** 16-13-306.5 as follows:

- **16-13-306.5.** Limitations on receipt of forfeiture payments from federal agencies. (1) A SEIZING AGENCY OR PARTICIPANT IN ANY JOINT TASK FORCE OR OTHER MULTIJURISDICTIONAL COLLABORATION SHALL ACCEPT PAYMENT OR DISTRIBUTION FROM A FEDERAL AGENCY OF ALL OR A PORTION OF ANY FORFEITURE PROCEEDS RESULTING FROM ADOPTION OR A JOINT TASK FORCE OR OTHER MULTIJURISDICTIONAL COLLABORATION ONLY IF THE AGGREGATE NET EQUITY VALUE OF THE PROPERTY AND CURRENCY SEIZED IN A CASE IS IN EXCESS OF FIFTY THOUSAND DOLLARS AND A FORFEITURE PROCEEDING IS COMMENCED BY THE FEDERAL GOVERNMENT AND RELATES TO A FILED CRIMINAL CASE.
- (2) Subsection (1) of this section shall not be construed to restrict seizing agencies from collaborating with a federal agency to seize property that the seizing agency has probable cause to believe is the proceeds or instruments of a crime through an intergovernmental joint task force.

## **SECTION 3.** In Colorado Revised Statutes, **add** 16-13-504.5 as follows:

- **16-13-504.5.** Limitations on receipt of forfeiture payments from federal agencies. (1) A SEIZING AGENCY OR PARTICIPANT IN ANY JOINT TASK FORCE OR OTHER MULTIJURISDICTIONAL COLLABORATION SHALL ACCEPT PAYMENT OR DISTRIBUTION FROM A FEDERAL AGENCY OF ALL OR A PORTION OF ANY FORFEITURE PROCEEDS RESULTING FROM ADOPTION OR A JOINT TASK FORCE OR OTHER MULTIJURISDICTIONAL COLLABORATION ONLY IF THE AGGREGATE NET EQUITY VALUE OF THE PROPERTY AND CURRENCY SEIZED IN A CASE IS IN EXCESS OF FIFTY THOUSAND DOLLARS AND A FORFEITURE PROCEEDING IS COMMENCED BY THE FEDERAL GOVERNMENT AND RELATES TO A FILED CRIMINAL CASE.
- (2) Subsection (1) of this section shall not be construed to restrict seizing agencies from collaborating with a federal agency to seize property that the seizing agency has probable cause to believe is the proceeds or instruments of a crime through an intergovernmental joint task force.

### **SECTION 4.** In Colorado Revised Statutes, 16-13-702, amend (1) as follows:

- **16-13-702. Disposition of forfeited property.** (1) No forfeited property shall be used nor shall any forfeited proceeds be expended by any seizing agency to whom section 16-13-701 (1) applies unless such use or expenditure has been approved by a committee on disposition of forfeited property which is created in subsection (2) of this section.
- **SECTION 5. Appropriation.** (1) For the 2017-18 state fiscal year, \$84,451 is appropriated to the department of local affairs. This appropriation is from the

general fund. To implement this act, the department may use this appropriation as follows:

- (a) \$24,814 for use by the division of local government for personal services related to local government and community services, which amount is based on an assumption that the division will require an additional 0.5 FTE;
- (b) \$10,398 for use by the division of local government for operating expenses related to local government and community services; and
  - (c) \$4,753 for the purchase of legal services; and
  - (d) \$44,486 for the purchase of information technology services.
- (2) For the 2017-18 state fiscal year, \$4,753 is appropriated to the department of law. This appropriation is from reappropriated funds received from the department of local affairs under subsection (1)(c) of this section. To implement this act, the department of law may use this appropriation to provide legal services for the department of local affairs.
- (3) For the 2017-18 state fiscal year, \$44,486 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of local affairs under subsection (1)(d) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of local affairs.
- **SECTION 6.** Act subject to petition effective date applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.
- (2) This act applies to seizures conducted on or after the applicable effective date of this act.

Approved: June 9, 2017